

SECTION 4. Section 21.721, Education Code, is amended by adding Subsection (e) to read as follows:

(e) A school district may grant promotions to students in grades below second grade on the basis of an assessment method other than numerical grading.

SECTION 5. Subsection (b), Section 21.722, Education Code, is amended to read as follows:

(b) If a student's level of achievement for the notice period is below the level required for course credit or grade level advancement under Section 21.721 of this code [in any class or subject a student receives a grade equal to less than 70 on a scale of 100], the grade notice must state the need for a conference between the appropriate teacher and the parent and must quote or summarize the requirements of that section [Section 21.721 of this code].

SECTION 6. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on March 28, 1989, by the following vote: Yeas 31, Nays 0; May 23, 1989, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 25, 1989, House granted request of the Senate; May 29, 1989, Senate adopted Conference Committee Report by the following vote: Yeas 30, Nays 0; passed the House, with amendments, on May 18, 1989, by a non-record vote; May 25, 1989, House granted request of the Senate for appointment of Conference Committee; May 28, 1989, House adopted Conference Committee Report by a non-record vote.

Approved June 16, 1989.

Effective Aug. 28, 1989, 90 days after date of adjournment.

CHAPTER 1062

S.B. No. 61

AN ACT

relating to the issuance of Texas water development bonds.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subdivision (10), Section 16.001, Water Code, is amended to read as follows:

(10) "Water development bonds" means the Texas Water Development Bonds authorized by Article III, Sections 49-c and 49-d, of the Texas Constitution and bonds dedicated to use for the purposes of those sections under Article III, Sections 49-d-2, [and] 49-d-6, and 49-d-7, of the Texas Constitution.

SECTION 2. Subdivisions (7), (11), (12), (20), and (21), Section 17.001, Water Code, are amended to read as follows:

(7) "Water supply project" means:

(A) any engineering undertaking or work to conserve and develop surface or subsurface water resources of the state, including the control, storage, and preservation of its storm water and floodwater and the water of its rivers and streams for all useful and lawful purposes by the acquisition, improvement, extension, or construction of dams, reservoirs, and other water storage projects, which may include flood storage, including underground storage projects, filtration and water treatment plants, including any system necessary to transport water from storage to points of distribution or from storage to filtration and treatment plants, including facilities for transporting water therefrom to wholesale purchasers or to retail purchasers as

authorized by Section 17.072 (c) of this code, by the acquisition, by purchase of rights in underground water, by the drilling of wells, or for any one or more of these purposes or methods; or

(B) any engineering undertaking or work outside the state to provide for the maintenance and enhancement of the quality of water by eliminating saline inflow through well pumping and deep well injection of brine.

(11) "Water quality enhancement funds" means the proceeds from the sale of Texas Water Development Bonds issued under the authority of Article III, Section 49-d-1, of the Texas Constitution, and proceeds from the sale of bonds dedicated to water quality enhancement purposes under Article III, Sections 49-d-2, ~~and~~ 49-d-6, *and 49-d-7*, of the Texas Constitution.

(12) "Flood control funds" means the proceeds from the sale of Texas Water Development Bonds issued under the authority of Article III, Sections 49-d-2, ~~and~~ 49-d-6, *and 49-d-7*, of the Texas Constitution and reserved for flood control purposes.

(20) "Water development bonds" means the Texas Water Development Bonds authorized by Article III, Sections 49-c and 49-d, of the Texas Constitution and bonds dedicated to use for the purposes of those sections and for flood control purposes under Article III, Sections 49-d-2, ~~and~~ 49-d-6, *and 49-d-7*, of the Texas Constitution.

(21) "Water quality enhancement bonds" means the Texas Water Development Bonds authorized by Article III, Section 49-d-1, of the Texas Constitution and bonds dedicated to use for the purposes of that section by Article III, Sections 49-d-2, ~~and~~ 49-d-6, *and 49-d-7*, of the Texas Constitution.

SECTION 3. Sections 17.011 and 17.028, Water Code, are amended to read as follows:

Sec. 17.011. ISSUANCE OF WATER DEVELOPMENT BONDS. (a) The board, by resolution, from time to time may provide for the issuance of negotiable bonds in an aggregate amount not to exceed \$400 million pursuant to Article III, Section 49-c and Section 49-d, of the Texas Constitution, and the issuance of additional negotiable bonds in an aggregate amount not to exceed \$200 million pursuant to Article III, Section 49-d-1, of the Texas Constitution, not to exceed \$980 million pursuant to Article III, Section 49-d-2, of the Texas Constitution, ~~and~~ not to exceed \$400 million pursuant to Article III, Section 49-d-6, of the Texas Constitution, *and not to exceed \$500 million pursuant to Article III, Section 49-d-7, of the Texas Constitution.*

(b) The board, by resolution, from time to time may provide for the issuance of negotiable bonds in an aggregate amount of not to exceed the total principal amount the board has obligated the Texas Water Development Fund for the acquisition of storage facilities by the execution of a contract with the United States or any of its agencies under Article III, Section 49-d, of the Texas Constitution, and to the extent the bond proceeds are utilized to reduce the board's obligation under a contract with the United States or any of its agencies under Article III, Section 49-d, of the Texas Constitution, the bonds may not be considered in determining the aggregate amount of bonds issued under Article III, Sections 49-c, 49-d, ~~and~~ 49-d-2, *49-d-6, and 49-d-7*, of the Texas Constitution, in addition to the contract with the United States or any of its agencies.

Sec. 17.028. PAYMENT ENFORCEABLE BY MANDAMUS. Payment of the bonds and performance of official duties prescribed by Article III, Sections 49-c, 49-d, 49-d-1, 49-d-2, ~~and~~ 49-d-6, *and 49-d-7*, of the Texas Constitution and by this subchapter may be enforced in any court of competent jurisdiction by mandamus or other appropriate proceeding.

SECTION 4. Subsections (b), (c), and (h), Section 17.072, Water Code, are amended to read as follows:

(b) Except as provided by Subsections (f) and (h) of this section, proceeds from the sale of water development bonds, together with all proceeds (excluding accrued interest which shall be deposited into the interest and sinking fund) from the sale, refunding, or prepayment of political subdivision bonds acquired in carrying out the purposes set out in Article III, Sections 49-c, 49-d, 49-d-2, ~~and~~ 49-d-6, *and 49-d-7*, of the Texas Constitution, shall be deposited in a special account in the development fund designated "water

supply account," and other money for deposit therein as provided in this chapter shall be credited to the water supply account.

(c) The water supply account may be used for any water supply project and in any manner consistent with the provisions of the constitution, *including retail distribution* [~~but the development fund may not be used for retail distribution or for transportation of water solely to retail purchasers~~].

(h) All proceeds from the sale of the \$300 [\$250] million in water development bonds authorized by Article III, Sections 49-d-2, [and] 49-d-6, and 49-d-7, of the Texas Constitution for the purposes of flood control, together with all proceeds, excluding accrued interest, from the sale, refunding, or prepayment of political subdivision bonds acquired in carrying out the purposes of the flood control program, shall be deposited in a special account designated as the flood control account created in the development fund. Other money designated for deposit in that account by this chapter shall be deposited in the flood control account. Accrued interest from the proceeds of the sale, refunding, or prepayment of political subdivision bonds shall be deposited in the interest and sinking fund.

SECTION 5. Sections 17.077, 17.271, and 17.771, Water Code, are amended to read as follows:

Sec. 17.077. CREDITS TO CLEARANCE FUND. Except for proceeds from the sale of bonds and proceeds from the sale, refunding, or prepayment, of political subdivision bonds acquired in carrying out the purposes in Article III, Sections 49-c, 49-d, 49-d-1, 49-d-2, [and] 49-d-6, and 49-d-7, of the Texas Constitution, and the proceeds from the sale, refinancing, or other liquidation of the investments made under Section 17.083 of this code which shall be deposited in the fund that provided the money for the investment, all money received by the board in any fiscal year, including all amounts received as repayment of loans to political subdivisions and interest on those loans, shall be credited to the clearance fund. Money in the clearance fund may be transferred at any time to the interest and sinking fund until the reserve in that fund is equal to the average annual principal and interest requirements on all outstanding bonds.

Sec. 17.271. PURPOSE. The purpose of this subchapter is to provide for making loans of water quality enhancement funds authorized by Article III, Sections 49-d-1, 49-d-2, [and] 49-d-6, and 49-d-7, of the Texas Constitution to political subdivisions of the state for the construction of treatment works.

Sec. 17.771. PURPOSE. The purpose of this subchapter is to provide for making loans of flood control funds authorized by Article III, Sections 49-d-2, [and] 49-d-6, and 49-d-7, of the Texas Constitution, to political subdivisions of the state for the development of floodplain management plans and for structural and nonstructural flood control projects.

SECTION 6. Section 17.121, Water Code, is amended to read as follows:

Sec. 17.121. FINANCIAL ASSISTANCE. The water supply account may be used by the board to provide financial assistance to political subdivisions for the construction, acquisition, or improvement of water supply projects, *including those projects initiated for the sole purpose of conservation as defined in Section 17.001(23)(B) of this code.*

SECTION 7. This Act takes effect when and only if the constitutional amendment proposed by S.J.R. No. 5, 71st Legislature, Regular Session, 1989, is adopted.

SECTION 8. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on April 11, 1989, by a viva-voce vote; and that the Senate concurred in House amendments on May 29, 1989, by a viva-voce vote; passed the House, with amendments, on May 27, 1989, by a non-record vote.

Approved June 16, 1989.

Effective upon adoption of Acts 1989, 71st Leg. S.J.R. 5.